

Class. CHANGED TO: TS S C

DDA Memo. 4 Apr 77

Auth: DDA REG. 77 1763

Date: 30 MAR 1978 By: 011

CENTRAL INTELLIGENCE GROUP

INTELLIGENCE REPORT

COUNTRY Austria/USSR

SUBJECT Danube Navigation

25X1A6a

ORIGIN

25X1X6

This document is hereby designated

CONFIDENTIAL in accordance with the

letter of 10 October 1970 from the

Director of Central Intelligence to the

Archivist of the United States.

Next Review Date: 2008

DATE:

INFO. 27 August 1946

DIST. 13 December 1946

PAGES 4

SUPPLEMENT



SOURCE

The following is a translation of a report on Danube shipping prepared by Emerich Franzke of the Controll Compagnie, Vienna, and forwarded on 27 August 1946 to the Société Générale de Surveillance in Geneva, Switzerland:

Status of the Danube

1. In spite of all the efforts of the occupation authorities, the government authorities, the shipping administrations, and the interested business enterprises, it has not been possible to restore Danube shipping to its full volume; this situation can be ascribed mainly to the fact that the concept of "German property in Austria" is being variously interpreted. Another contributory factor is the prevailing uncertainty concerning the future status of the Danube.
2. The Austrian Erste Donau-Dampfschiffahrts-Gesellschaft in Vienna (DDSG), which was the most important shipping concern on the Danube and whose shipping facilities have been taken over by various Danubian countries (now including Russia) and by the American occupation authorities above Linz, has been affected to such a degree by the prevailing situation that it is forced to remain idle at the present time. However, the remaining Danube shipping concerns are also suffering as a result of this confused situation; they are obliged to exercise great caution and in general limit their river traffic to internal shipping. Another, but not the least, obstacle toward the resumption of normal Danube traffic has been the partitioning of the shipping fleet which was still intact after the war. With regard to this question, it may be recalled that only recently Yugoslavia lodged a claim demanding the return of her ships which are now lying on the upper Danube.

Austria and the Danube

3. As in respect to all other matters, Austria is extremely eager for a solution of the Danube question. Nothing could please the Austrian Government, the interested administrations, and the Austrian commercial enterprises more than an opportunity to make a useful contribution toward the solution of this problem. To judge by the statements which have been made by government officials and in the press, the difference of opinion between the great powers consists in the fact that the Soviet Union desires a regional administration and supervision of Danube shipping by the Danube countries, while the United States and Great Britain support complete internationalization of the river.

25X1A9a

25X1A9a

| CLASSIFICATION |   |   |   |      |      |                                   |  |    |     |
|----------------|---|---|---|------|------|-----------------------------------|--|----|-----|
| ADSO           | X   | A DEP.  | X | FBT  | SPDF | <del>SECRET</del><br>CONFIDENTIAL |  |    |     |
| DADSO          |   | WARNING NOTICE: THIS DISTRIBUTION LISTING MAY BE CONTAINED IN |   |      |      |                                   |  | X  | OCL |
| EXEC.          |   | FBL   |   | FBX  | SPDT | CFCB                              |  | AS |     |
| CONTROL        | Approved For Release 58-200005-16 CIA-RDP82-00078-8 |   |   |      |      |                                   |  |    |     |
| PLANS          | X   | FEP   |   | SPDA | TRB  | X                                 |  |    |     |

CENTRAL INTELLIGENCE GROUP

CONFIDENTIAL

To us Austrians it is not only the settlement of the aforementioned question that is important, but above all we are concerned about the fate of the Erste Donau-Dampfschiffahrts-Gesellschaft, which has existed since 1829 and which was and is the traditional representative of Austrian Danube navigation.

4. The illegal incorporation of the DDSG into the German industrial program has resulted in the fact that, according to one interpretation of the Potsdam Agreement, the concern is now to be classified as "German property in Austria".
5. The following lists the total of ships in the DDSG fleet in 1938 and the total of remaining ships in 1945:

|                       | <u>1938</u> | <u>1945</u> |
|-----------------------|-------------|-------------|
| Ships                 | 72          | 59          |
| Barges                | 371         | 318         |
| Tankers               | 37          | 112         |
| Floats (Schwimmaehne) | 23          | 21          |

6. The above proves that, with the exception of the tankers, many ships have been lost by the fleet, despite the fact that a large number of new vessels were built during the war. Of the above-listed vessels, the following are at present above Linz under U.S. administration:

|         |     |
|---------|-----|
| Ships   | 41  |
| Barges  | 180 |
| Tankers | 62  |
| Floats  | 7   |

7. The following equipment has been confiscated by the Russians and, for the most part, transferred outside of Austria:

|         |     |
|---------|-----|
| Ships   | 18  |
| Barges  | 138 |
| Tankers | 44  |
| Floats  | 14  |

8. While specific information is available concerning the number and the condition of the vessels in the American Zone, the complete lack of contact with the middle and lower Danube has made it impossible to obtain exact information on the present number and the condition of the vessels under Soviet control.
9. The Austrian flag has disappeared from the Danube. Freight traffic is at a standstill, and the only traffic is that which operates locally between Linz and Engelhartzell. The DDSG is still drawing on its capital; wages and salaries are being paid to specialized personnel which could not be replaced if it left the company. All contact has been interrupted between affiliated concerns abroad, including the coal mine in Pecs (Hungary) and the shipyards in Budapest. The shipyard at Korneuburg is being administered by the Russians. River navigation has been resumed under the Russian flag between Vienna and nearby resorts. A small volume of cargo traffic is being operated from the Russian Zone to the lower Danube.
10. Despite the very heavy damage to the operational facilities, especially in the Vienna port, a return of its fleet would enable the DDSG to absorb a considerable volume of business. In 1938, between one and a half million tons of freight were handled by the Austrian Danube ports; one million tons of this freight was handled by the DDSG.

SECRET

CONFIDENTIAL

CENTRAL INTELLIGENCE GROUP

-3-

CONFIDENTIALThe DDSG and the Soviet Authorities in Austria

11. From the very beginning, the Soviet authorities made a great effort to obtain a large interest in the DDSG. It was their intention to control 80% of the company. The DDSG, as well as the Austrian Government, opposed this and refused to accept any of the Soviet proposals. In support of this rejection, it was pointed out that the DDSG had been an Austrian enterprise for more than one hundred years and could, therefore, not be classified as German property. Furthermore, it was contended that the Council of Foreign Ministers had as yet failed to give a definite interpretation to the Potsdam Agreement in connection with the future status of the Danube and of German property. The Russians, having failed to achieve their purpose through direct and amicable negotiations, are now apparently intent on making other arrangements before the status of the Danube is settled and have resorted to particularly drastic measures in order to force a rapid solution of the problem.

Comment: For information concerning the establishment of a new Russian-owned First Danube Steam Navigation Company (Pervoye Dnhevskoye Parochodnoye Obshtshestvo) using the DDSG port installations, see our previous report of 4 October 1946.]

Loading and Reloading Facilities in Vienna, etc.

12. The DDSG installation in Vienna-Praterkai were completely destroyed during the war, and it cannot be expected that they will be repaired in the near future. The following installations are the only ones which have remained in working order:
- The DDSG installation in Vienna-Zwischenbrücken;
  - The Vienna municipal warehouses in Vienna-Lagerhaus and Albern;
  - The installations of the Hungarian River and Sea Navigation Company (MFTR) at Vienna-Handelskai;
  - The installations of the Bayrischer Lloyd in Vienna-Donaukanalbahnhof (these installations are at present being used by Soviet shipping);
  - The installations of the Československé Dnaušifflarstvo A. G. in Vienna-Kaiserplatz.
13. The Vienna silo installations in Vienna-Lagerhaus and in the Albern port are at present being administered by the municipality of Vienna.
14. The loading and other installations in Linz are intact and are under American administration.
15. The Passau installations, although heavily damaged, are still usable; the Regensburg installations, on the other hand, were almost completely destroyed during the war and much repair work will still be needed before they are restored. These installations are also under American administration.
16. There is no reliable information concerning the installations on the middle and lower Danube; however, it appears that the most important points, such as Bratislava, Budapest, Belgrade, etc., are in condition to operate on a limited scale.
17. The following navigation companies existed before 1938:

a. GermanyAbbreviation

Bayrischer Lloyd, Schifffahrts AG, Regensburg  
 Josef Wallner, Schifffahrtsunternehmung, Deggendorf

BL

~~SECRET~~~~CONFIDENTIAL~~

## CENTRAL INTELLIGENCE GROUP

-4-

~~CONFIDENTIAL~~b. AustriaAbbreviation

Erste Donau Dampfschiffahrts-Gesellschaft  
Vienna III, Hintere Zollamtstrasse 1

DDSG

Süddeutsche Donau-Dampfschiffahrts-Gesellschaft, Vienna  
(administered by the DDSG in the interim)

SDG

Continental Motorschiffahrts A.G., Vienna I  
Wipplingerstrasse 34 (originally a Dutch company)

COMOS

c. Shipping Companies Abroad:

✓  
Čechoslovinská Dónauschiffahrts A.G., Bratislava  
(resumed operations, although on a limited scale)

CSDP

Hungarian River and Sea Navigation Company, Budapest

MFTR

Yugoslav Shipping Company, Belgrade

JRP

Bulgarian Danube Shipping Company, Sofia

BRP

Navigation Fluviale Roumaine, Bucharest

NFR

Service Maritime Roumain, Bucharest  
(the above shipping companies have resumed operations,  
although on a limited scale)

SMR

Société Française de Navigation Danubienne, Paris  
(maintained a representative in Vienna)

SFND

## d. The following companies have been established since the cessation of hostilities in 1945:

Pervoye Dunavskoye Parochodnoye Obshtshestvo, Vienna II,  
Taborstrasse 24a (the newly created Russian-owned DDSG)

-

Sowjetische staatliche Dónauschiffahrts-Gesellschaft,  
Vienna IV, Wohllebengasse 9 (head office in Budapest)

SDGP

Hungarian-Soviet Navigation Company, Budapest

MEZHART

Soviet-Romanian Navigation, Bucharest  
(includes the NFR and the SMR)

SOVTOM

~~SECRET~~~~CONFIDENTIAL~~